



Financial Statements of

MACCS SUSTAINABLE YIELD TRUST

(Unaudited)

For the six months ended June 30, 2008

26,934,730 BND.UN \$75,900,000

TABLE OF CONTENTS

2	Statement of Net Assets
3	Statement of Operations
4	Statement of Changes in Net Assets
5	Statement of Cash Flow
6	Statement of Investment Portfolio
7	Notes to the Financial Statements

Financial Statements

STATEMENT OF NET ASSETS (Unaudited)

	As at June 30, 2008	As at December 31, 2007
ASSETS		
Investments at fair value (Note 4) (Cost 2008: \$11,227,338; 2007: \$10,791,235)	\$ 11,127,825	\$ 10,740,868
Cash	18,099	59,998
Distributions receivable from trusts	113,094	133,081
	11,259,018	10,933,947
LIABILITIES		
Accrued liabilities	131,222	85,544
Due to brokers	180,625	-
Loan facility payable (Note 7)	1,200,000	1,200,000
Distributions payable (Note 2)	65,410	65,427
	1,577,257	1,350,971
NET ASSETS REPRESENTING UNITHOLDERS' EQUITY (Note 6):		
GAAP NAV (Note 3)	\$ 9,681,761	\$ 9,582,976
NUMBER OF UNITS OUTSTANDING (Note 5)	1,176,446	1,176,746
NET ASSET VALUE PER UNIT (Note 3):		
GAAP NAV (Note 3)	\$ 8.23	\$ 8.14

SUBSEQUENT EVENT (Note 13)

SIGNED ON BEHALF OF THE TRUSTEE,

(signed) Wayne L. Pushka
Director

(signed) Terry A. Jackson
Director

The accompanying notes are an integral part of these financial statements.

Financial Statements

continued

STATEMENT OF OPERATIONS
(Unaudited)

For the six months ended June 30,	2008	2007
INCOME		
Distributions from trusts	\$ 640,067	\$ 1,354,012
EXPENSES		
Management fees (Note 8)	22,367	56,510
Service fees (Note 8)	15,401	37,115
Legal fees	23,807	34,085
Interest and bank charges	45,809	60,157
Administrative expenses (Note 8)	22,484	-
Audit fees	20,034	34,616
Accounting fees	8,595	-
Directors' and IRC fees and expenses	14,733	18,575
Regulatory and listing expenses	36,992	30,725
Custody, valuation and transfer fees	29,718	22,815
Unitholder servicing expenses (Note 8)	3,850	7,480
	243,790	302,078
NET INVESTMENT INCOME	396,277	1,051,934
CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS (Note 4)	(99,146)	1,077,096
TRANSACTION COSTS (Notes 3, 9 and 10)	(5,467)	(19,917)
NET REALIZED GAIN ON SALE OF INVESTMENTS (Note 4)	201,812	965,586
INCREASE IN NET ASSETS FROM OPERATIONS	\$ 493,476	\$ 3,074,699
INCREASE IN NET ASSETS FROM OPERATIONS PER UNIT ⁽¹⁾	\$ 0.42	\$ 1.19

⁽¹⁾Based on the weighted average number of units outstanding during the period.

The accompanying notes are an integral part of these financial statements.

Financial Statements

continued

**STATEMENT OF CHANGES IN NET ASSETS
(Unaudited)**

For the six months ended June 30,		2008		2007
NET ASSETS, BEGINNING OF PERIOD	\$	9,582,976	\$	22,079,167
INITIAL ADOPTION OF NEW ACCOUNTING POLICY (Note 3)		-		(55,247)
		9,582,976		22,023,920
INCREASE IN NET ASSETS FROM OPERATIONS		493,476		3,074,699
CAPITAL UNIT TRANSACTIONS (Note 6)				
Proceeds from issuance of units		-		1,038,528
Purchase and cancellation of units		(2,229)		(97,319)
		(2,229)		941,209
DISTRIBUTIONS TO UNITHOLDERS		(392,462)		(867,007)
NET ASSETS, END OF PERIOD	\$	9,681,761	\$	25,172,821

The accompanying notes are an integral part of these financial statements.

Financial Statements

continued

STATEMENT OF CASH FLOW
(Unaudited)

For the six months ended June 30,	2008	2007
CASH FLOW FROM (TO) OPERATIONS		
Net investment income	\$ 396,277	\$ 1,051,934
Transaction costs	(5,467)	(19,917)
Change in non-cash working capital relating to operations	246,290	(219,578)
	637,100	812,439
CASH FLOW FROM (TO) INVESTING ACTIVITIES		
Proceeds from sale of investments	3,683,762	13,463,888
Purchase of investments	(3,968,053)	(14,432,722)
	(284,291)	(968,834)
CASH FLOW FROM (TO) FINANCING ACTIVITIES		
Proceeds from loan facility	-	95,671
Distributions paid	(392,479)	(861,139)
Net proceeds from issuance of units	-	1,038,528
Purchase and cancellation of units	(2,229)	(97,319)
	(394,708)	175,741
NET INCREASE (DECREASE) IN CASH	(41,899)	19,346
CASH BEGINNING OF PERIOD	59,998	46,900
CASH END OF PERIOD	\$ 18,099	\$ 66,246

The accompanying notes are an integral part of these financial statements.

Financial Statements

STATEMENT OF INVESTMENT PORTFOLIO As at June 30, 2008 (Unaudited)

DESCRIPTION	NUMBER OF SHARES	AVERAGE COST	FAIR VALUE	% OF NET ASSETS
CANADIAN EQUITIES				
Algonquin Power Income Fund	50,000	386,737	381,500	
Allied Properties Real Estate Investment Trust	8,500	180,625	171,445	
AltaGas Income Trust	17,200	462,170	440,492	
Arctic Glacier Income Fund	20,100	245,522	199,191	
Atlantic Power Corporation	36,100	389,036	303,240	
Bell Alliant Regional Communications Income Fund	12,452	394,098	362,104	
Bonavista Energy Trust	13,600	421,671	509,320	
Calloway Real Estate Investment Trust	7,400	174,486	144,004	
Canadian Apartment Properties Real Estate Investment Trust	10,800	162,037	187,056	
CML Healthcare Income Fund	21,050	298,284	299,963	
Cominar Real Estate Investment Trust	7,700	156,865	167,244	
Consumers Waterheater Income Fund	27,700	422,507	330,738	
Enerplus Resources Fund	7,700	380,499	362,670	
EPCOR Power LP	20,500	550,461	459,200	
Fording Canadian Coal Trust	5,000	189,314	485,000	
Fort Chicago Energy Partners LP	35,500	409,684	385,174	
GAZ Metro LP	21,900	352,687	330,252	
Great Lakes Hydro Income Fund	23,000	416,532	435,850	
H&R Real Estate Investment Trust	20,400	397,338	365,160	
Harvest Energy Trust	12,100	254,536	296,692	
InnVest Real Estate Investment Trust	4,700	46,137	44,791	
Keyera Facilities Income Fund	19,000	281,953	420,850	
Macquarie Power & Infrastructure Income Fund	58,400	553,320	477,128	
Morguard Real Estate Investment Trust	13,000	168,473	169,390	
Noranda Income Fund, Class A	19,500	221,196	162,825	
Northland Power Income Fund	35,900	473,302	461,674	
Pembina Pipeline Income Fund	23,100	315,029	413,721	
Penn West Energy Trust	13,390	521,318	461,286	
Primaris Retail Real Estate Investment Trust	8,700	109,653	158,514	
RioCan Real Estate Investment Trust	10,000	210,500	198,000	
Superior Plus Income Fund	24,608	291,247	283,884	
Teranet Income Fund	30,600	295,078	265,914	
TimberWest Forest Corp.	22,300	348,346	306,625	
Yellow Pages Income Fund	32,600	413,137	288,184	
TOTAL CANADIAN EQUITIES		10,893,778	10,729,081	110.8
SHORT TERM INVESTMENTS				
		Par Value		
Canada Treasury Bills, 2.52%, August 7, 2008		\$225,000	224,090	224,397
Canada Treasury Bills, 2.48%, August 21, 2008		175,000	174,302	174,347
TOTAL SHORT TERM INVESTMENTS			398,392	398,744
				4.1
TRANSACTION COSTS (Note 3)			(14,832)	
TOTAL INVESTMENTS		\$ 11,277,338	11,127,825	114.9
LIABILITIES, NET OF OTHER ASSETS			(1,446,064)	(14.9)
TOTAL NET ASSETS			\$ 9,681,761	100.0

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

June 30, 2008 (Unaudited)

1. THE FUND

Establishment of the Fund

MACCs Sustainable Yield Trust (the “Fund”) is an investment fund established under the laws of the Province of Ontario on January 28, 2005 (date of Inception). On February 18, 2005, the Fund completed an initial public offering (the “Offering”) of 3,250,000 Units (the “Units”) at \$10 per Unit. Subsequently an option granted to the agents was exercised for 280,000 Units at \$10 per Unit. The Units are listed on The Toronto Stock Exchange under the symbol MYT.UN. The Fund began operations on February 18, 2005 when it completed its initial public offering. The manager (the “Manager”) of the Fund is Crown Hill Capital Corporation, which is a wholly-owned subsidiary of First Paladin Inc. Prior to February 1, 2008 the manager was MACCs Administrator Inc.

2. INVESTMENT OBJECTIVES OF THE FUND

The investment objectives of the Fund are

- (i) to provide Unitholders with a stable stream of monthly distributions; and
- (ii) to preserve and potentially enhance the Net Assets of the Fund such that the Net Asset Value per Unit exceeds \$10.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements, prepared in accordance with Canadian generally accepted accounting principles, include estimates and assumptions by management that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

a) Investment Valuation

Change in accounting policy

Effective January 1, 2007, the Canadian Institute of Chartered Accountants (‘CICA’) Handbook Section 3855, Financial Instruments: Recognition and Measurement, requires that the fair value of financial instruments which are traded in active markets be measured based on the bid price for long securities and the ask price for securities held short. Prior to this new section, the fair value was based on the last traded price for the day, when available.

Section 3855 also requires that transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities be charged to net income in the period. Prior to this new section, these costs were added to the cost of the securities purchased or deducted from the proceeds of sale. See Note 8. This change has no impact on the net assets of the Fund.

Notes to the Financial Statements

continued

June 30, 2008 (Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On January 1, 2007, the Fund adopted Section 3855 on a retroactive basis (that is, without retroactive restatement of prior periods) for financial reporting purposes. The effect of the initial adoption of this new accounting policy, using the closing bid price as at December 31, 2006, is a decrease of \$55,247 in the net assets of the Fund at the beginning of the period.

The Canadian Securities Administrators have granted temporary relief to investment funds from complying with Section 3855, for the purpose of calculating and reporting of transactional net assets and transactional net asset value per unit (other than for financial reporting purposes) until September 30, 2008, to permit review of the suitability of these financial reporting requirements for purposes other than the financial statements, such as the purchase and redemption of an investment fund. A reconciliation of net assets at the last traded price (“Transactional NAV”) and at the bid price according to GAAP (“Financial statements”) is as follows:

As at June 30, 2008	Net assets		Net asset value per unit	
Transactional NAV	\$	9,712,403	\$	8.26
Difference as a result of adopting Section 3855		(30,642)		(0.03)
Financial statements	\$	9,681,761	\$	8.23

As at December 31, 2007	Net assets		Net asset value per unit	
Transactional NAV	\$	9,628,124	\$	8.18
Difference as a result of adopting Section 3855		(45,148)		(0.04)
Financial statements	\$	9,582,976	\$	8.14

On January 1, 2008, the Fund adopted CICA Handbook Section 3862, “Financial Instruments – Disclosures” and Section 3863, “Financial Instruments – Presentation”. The new standards replaced Section 3861, “Financial Instruments – Disclosure and Presentation”. These sections establish standards for the comprehensive disclosure and presentation requirements for financial instruments. The standards include new requirements to quantify certain risk exposures and to provide sensitivity analysis for certain risks.

The detailed risks of investing in the Fund are disclosed in Note 11.

Portfolio Securities

Securities listed on a public stock exchange are valued at their bid price on the valuation date. Securities not listed on any exchange are valued based upon the available public quotations in common use or at a price estimated to be the fair value thereof as determined by the Manager of the Fund.

Notes to the Financial Statements

continued

June 30, 2008 (Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Short-Term Investments

Short-term investments are recorded at fair value, which is approximated by cost plus accrued interest.

b) Investment Transactions and Income Recognition

- i. Investment transactions are accounted for on the trade date.
- ii. Interest income and expense are recorded on the accrual basis.
- iii. Dividend income is recorded on the ex-dividend date.
- iv. Realized gains and losses on investments and unrealized appreciation or depreciation of investments are calculated using the average cost of the related investments.
- v. For these interim financial statements, distributions from income trusts, real estate investment trusts, limited partnerships and other such investment vehicles are shown on the Statement of Operations as Distributions from trusts, since the allocation of Dividends, Income excluding dividends, Capital gains and Return of capital is not known until after the end of the year.

c) Net asset value per unit

On each valuation date, the net asset value per unit is computed by dividing the net assets of the Fund by the total number of its units outstanding.

d) Foreign Exchange

The market value of investments and other assets and liabilities denominated in foreign currencies is translated into Canadian dollars at the rates prevailing on each valuation date. Purchases and sales of investments, income and expenses are translated into Canadian dollars at the foreign exchange rates prevailing on the respective dates of such transactions.

Notes to the Financial Statements

continued

June 30, 2008 (Unaudited)

4. INVESTMENT PORTFOLIO

The following tables summarize movements in investments during the six-month periods ended June 30, 2008 and June 30, 2007:

Investments at cost

	2008	2007
Investments at cost – beginning of period	\$ 10,791,235	\$ 26,072,282
Transaction costs in December 31, 2006 cost (Note 3)	-	(10,147)
	10,791,235	26,062,135
Investments made during the period	3,968,053	14,432,722
Dispositions during the period, at cost	(3,481,950)	(12,498,302)
Investments at cost – end of period	<u>\$ 11,277,338</u>	<u>\$ 27,996,555</u>

Change in unrealized appreciation of investments

	2008	2007
Investments at market – end of period	\$ 11,127,825	\$ 28,418,835
Investments at cost – end of period	11,277,338	27,996,555
Unrealized appreciation (depreciation) of investments – end of period	(149,513)	422,280
Unrealized appreciation (depreciation) of investments – beginning of period	(50,367)	(609,716)
	(99,146)	1,031,996
Add back difference in opening market value between bid and closing price	-	55,247
Less transaction costs in December 31, 2006 cost	-	(10,147)
Change in unrealized appreciation (depreciation) of investments	<u>\$ (99,146)</u>	<u>\$ 1,077,096</u>

Net realized gain on sale of investments

	2008	2007
Proceeds of investments sold	\$ 3,683,762	\$ 13,463,888
Cost of investments sold	(3,481,950)	(12,498,302)
Net realized gain on investments	<u>\$ 201,812</u>	<u>\$ 965,586</u>

Notes to the Financial Statements

continued

June 30, 2008 (Unaudited)

5. UNITS ISSUED AND OUTSTANDING

The Fund is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Fund. Unitholders are entitled to redeem their Units outstanding in July of each year. On the redemption date, Units will be redeemed at the Transactional net asset value per Unit (see Note 3) less any costs of funding such redemption (See Note 13).

The Fund has a mandatory market purchase program pursuant to which it is obligated to purchase for cancellation any units offered in the market if the closing price at which units are then offered for sale is less than 95% of the net asset value per unit (See Note 13). The maximum number of units so purchased in any three-month period shall be limited to 1.25% of the units outstanding at the beginning of such period. From January 1, 2008 to June 30, 2008, the Fund purchased 300 units (2007-11,300 units) for an aggregate cost of \$2,229 (2007-\$97,319) at an average cost of \$7.43 per unit (2007-\$8.61 per unit).

The following unit transactions took place during the six-month periods ended June 30, 2008 and 2007.

	2008	2007
Balance of units outstanding – beginning of period	1,176,746	2,507,469
Units issued during the period	-	120,200
Units cancelled or redeemed during the period	(300)	(11,300)
Balance of units outstanding – end of period	<u>1,176,446</u>	<u>2,616,369</u>

6. UNITHOLDERS' EQUITY

Unitholders' equity is comprised of unitholders' capital and retained earnings. The changes in unitholders' capital and retained earnings during the six-month periods ended June 30, 2008 and 2007 are summarized as follows:

	2008	2007
Unitholders' capital – beginning of period	\$ 10,738,546	\$ 23,038,245
Issue of units	-	1,038,528
Redemption of units	(2,738)	(103,823)
Unitholders' capital – end of period	<u>\$ 10,735,808</u>	<u>\$ 23,972,950</u>
Retained earnings – beginning of period	\$ (1,155,570)	\$ (959,078)
Difference in opening market value between bid and closing price (Note 3)	-	(55,247)
Results from operations for the period	493,476	3,074,699
Distributions to unitholders	(392,462)	(867,007)
Excess of net proceeds over cost of units redeemed	509	6,504
Retained earnings – end of period	<u>\$ (1,054,047)</u>	<u>\$ 1,199,871</u>
Unitholders' capital – end of period	\$ 10,735,808	\$ 23,972,950
Retained earnings – end of period	(1,054,047)	1,199,871
Unitholders' equity	<u>\$ 9,681,761</u>	<u>\$ 25,172,821</u>

Notes to the Financial Statements*continued***June 30, 2008 (Unaudited)****7. LOAN FACILITY**

Pursuant to an agreement with a Canadian chartered bank, the Fund maintains a 364-day renewable revolving loan facility for a maximum amount calculated with reference to total assets and certain collateral; as at June 30, 2008 the permitted maximum was \$2,700,000. The loan facility is collateralized by a first-ranking pledge and security agreement over all present and future assets of the Fund. The Fund has the option of borrowing at the prime rate of interest (June 30, 2008 - 4.75%) or at the bankers' acceptance rate plus a fixed percentage. The loan facility is used by the Fund for the purchase of additional investments and for general Fund purposes. The amount borrowed was a constant \$1,200,000, during the period from January 1, 2008 to June 30, 2008. (See Note 13).

8. FUND EXPENSES

The Fund is responsible for all expenses incurred. These expenses are Operational Expenses and Service Fees. All expenses of the Fund are initially paid by the Manager, which is then reimbursed by the Fund in a reasonable amount of time.

Operational Expenses include the Manager's Fees, Administrative expenses, Unitholder servicing expenses and any other cost directly related to the operation of the Fund. Of these expenses, the Manager is entitled to an annual fee of 0.45% of the Transactional NAV of the Fund, calculated and payable monthly. For the six month period ended June 30, 2008; this amount totaled \$22,367 (2007 - \$56,510) of which \$3,780 (2007 - \$4,953) was payable at June 30, 2008. Administrative costs for the six months totaled \$22,484 (2007 - \$Nil). As part of the administration cost, the Fund is paying a monthly general overhead cost to First Paladin Inc., which for the six months was \$20,738 (2007 - Nil).

Unitholder servicing costs for the six months totaled \$3,850 (2007 - \$7,480) which was made up of payments to service providers for the filing of press releases and SEDAR filings. Service Fees for the six months totaled \$15,401 (2007 - \$37,115) which are trailer fees paid by the Fund to the Unitholders' investment advisors.

9. TAXATION

The Fund qualifies as a "mutual fund trust" within the meaning of the *Income Tax Act* (Canada). The Fund is subject to applicable federal and provincial taxes on the amount of its net income for tax purposes for the year, including net realized taxable capital gains, to the extent such net income for tax purposes has not been paid or made payable to Unitholders in the year. No provision for income taxes has been recorded in the accompanying financial statements as all income and net realized capital gains are distributed to Unitholders.

For tax purposes, transaction costs continue to be added to the average cost (for purchases) and reduced from the sale proceeds (for sales). The individual cost for each investment shown on the Statement of Investments is the cost used for tax purposes. The total of the transaction costs incurred on the purchase of the securities held as at June 30, 2008 is shown as a reduction on the Statement of Investments.

Notes to the Financial Statements*continued***June 30, 2008 (Unaudited)****10. BROKERAGE COMMISSIONS AND PORTFOLIO TRANSACTION COSTS**

The brokerage commissions fees paid for the six months were \$5,467 (2007 - \$19,917). The commissions were incurred solely for order execution services. The Fund does not pay any soft dollar commissions.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Fund's investment activities expose it to various types of risk associated with the financial instruments in which it invests directly. In addition to the risks of investing in the income trust market generally, the Fund is also subject to other risks, including interest rate risk as the Fund invests in interest-bearing securities, currency risk, credit risk and liquidity risk. The income of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Fund being unable to secure similar returns on the sale of securities. These risks and related risk management practices employed by the Fund are discussed below:

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments. The Manager moderates this risk through a careful selection of securities and the Fund's market price risk is managed through diversification of the investment portfolio. The Manager monitors the Fund's overall market positions on a weekly basis and positions are maintained within established ranges.

The most significant exposure to market risk is from equity securities. As at June 30, 2008, had the prices on the respective stock exchanges for these securities raised (lowered) by 1% with all other variables held constant, net assets would have increased (decreased) by approximately \$107,000 (approximately 1.0% of total net assets). In practice, the actual results may differ and the difference could be material.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Fund's exposure to interest rate risk is concentrated in its investment in money market instruments. As at June 30, 2008, 4.1% of the Fund's Net Assets were invested in debt securities with term to maturity of less than one year.

The Fund's investments in money market instruments were of such a short duration to maturity, that as at June 30, 2008 the Fund did not have any significant exposure to interest rate risk.

Notes to the Financial Statements*continued***June 30, 2008 (Unaudited)****11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)***Currency Risk*

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. The Statement of Investments identifies all investments denominated in foreign currencies. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value.

The Fund invests primarily in Canadian securities. Therefore as at June 30, 2008, the Fund did not have any significant exposure to currency risk.

Credit Risk

Credit risk is the risk that an issuer or a counter party will be unable or unwilling to meet a commitment that it has entered into with the Fund. All transactions in listed securities are settled for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Fund invests in income trusts. Therefore as at June 30, 2008 the Fund did not have any significant exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial obligations. The Fund is exposed to an annual cash purchases or redemptions of units. The units of the Fund are purchased or redeemed on demand at the current Transactional NAV per unit at the option of the unitholder. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity.

The Fund's investments are considered readily realizable and highly liquid. Therefore, as at June 30, 2008 the Fund's liquidity risk is considered minimal.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current period.

13. SUBSEQUENT EVENT

In August 2008, the Loan was repaid in full and the Loan Facility was eliminated. On July 9, 2008 a new Declaration of Trust came into effect. This resulted in the redemption date being changed from a fixed date to one that is set by the Trustee from time to time; a retraction feature being added enabling unitholders to submit units once a month for retraction by the Trust, where the retraction price is calculated based upon the market price of the units; and the removal of the mandatory nature of the market purchase program, leaving market purchases to the Manager's discretion.

Notes to the Financial Statements

continued

June 30, 2008 (Unaudited)

14. NO REVIEW

These interim financial statements have not been reviewed by the Fund's auditors.